

Integrating Ignatian Values into Entrepreneurship Teaching and Practice

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Introduction

The “gales of creative destruction” unleashed by entrepreneurs (Schumpeter, 1934) have generated profound, positive social change, created economic wealth, and addressed pressing social and environmental problems. Yet, despite its potential, a growing body of research demonstrates that entrepreneurial activity can have significant “dark sides” (Shepherd, 2019). These dark sides of entrepreneurship (DSE) affect all stakeholders involved, beginning with entrepreneurs themselves. Founding a new firm is often portrayed as a way to pursue one’s passion, accumulate great wealth, and/or effect social change. Yet, the reality is that 95% of new ventures fail (Nobel, 2011). Failures can put entrepreneurs in dire financial straits, as well as cause severe depression and other mental health issues. DSE can also impact even the most successful entrepreneurs, as isolation, stress, and financial pressures can contribute to mental and physical health problems and familial issues. For example, research shows that entrepreneurs are more likely than the general population to experience depression (30% vs. 16.6%), ADHD (29% vs. 4.4%), substance abuse (12% vs. 8.4%) and bipolar disorder (11% vs. 4.4%) (Freeman et al., 2019). Employees are another group impacted by DSE. Although some studies have found that startup employment is associated with higher levels of job satisfaction (Benz & Frey, 2008), others have highlighted startups’ long hours, high stress levels, and lower earnings that persist throughout employees’ careers (Sorenson et al., 2021). Finally, the impacts of DSE extend to broader society. For example, although startups are frequently portrayed as job creators, these jobs are not necessarily net gains, but rather may replace jobs in established firms (Haltiwanger et al., 2013).

Although academic research has begun to expose DSE, common approaches to teaching entrepreneurship can exacerbate the dark sides in at least two ways. First, entrepreneurship pedagogy continues to focus almost exclusively on developing skills and knowledge related to the entrepreneurship process, including identifying opportunities, raising investments, and reaching customers. Current pedagogy pays almost no attention to other stakeholders or contextual factors, including the potential negative consequences for entrepreneurs, employees, local economies, and the environment. Second, even when potential DSE are integrated, the “dark” element is often ignored or explained away. For example, failure is only considered from a process perspective - specifically, its role in learning and pivoting. Its potential negative social or psychological effects are almost completely ignored. This seems to prime many entrepreneurs for the sorts of mental and physical health, family, and other problems that researchers have increasingly documented.

I began this project with the belief that an Ignatian-based entrepreneurship education model could help Xavier Entrepreneurship students and graduates navigate DSE. I also believe that the model could have value well beyond Xavier, including in other Jesuit and non-Jesuit universities,

and in entrepreneurship support organizations, such as business accelerators. In Summer and Fall 2022, I will work to build out the model, as well as develop pedagogical resources that will help faculty teach to that model. I will undertake this work as the Center for Mission & Identity's 2022 Conway Faculty Fellow. My Ignatian Mentoring Program Project has aimed to jumpstart this work. Specifically, I used my ENTR 494: Social Entrepreneurship & Innovation course as a sort of laboratory to develop and test a lesson plan focused in DSE and Ignatian values.

Course Information

Social Entrepreneurship & Innovation was reintroduced as a course in Spring 2022, as part of Xavier's revised Entrepreneurship & Innovation curriculum. The course had been taught previously, but not for several years. Moving forward, we plan to teach the course every 1-2 semesters. It will be required for all Entrepreneurship & Innovation majors and minors.

Today, the term "social entrepreneurship" is widely used in the nonprofit sector, for-profit businesses, and even in government. But what does this term really mean? How does it work? What is unique and different about it? And, what does it really accomplish? This course explores these questions, as well as what it takes to develop, launch, and manage a successful social-mission driven venture. The course is designed to help prepare future nonprofit, business, and government leaders to generate positive social impact in financially sustainable ways.

In completing this course satisfactorily, students will be able to:

- Describe what social ventures are and what they do
- Identify social problems and potential solutions
- Develop basic models and plans for a social venture
- Discuss options for structuring and funding social ventures
- Explain different approaches to measuring social impact
- Describe key elements of an effective social entrepreneurship ecosystem

Course Content Related to DSE

I wanted to ensure that students were aware of and considering the potential dark sides of entrepreneurship throughout the entire course. As a result, I dedicated the second week of the semester (two classes) to addressing the topic. To frame the discussion, I (roughly) used Shepherd's (2019) articulation of the "three Ds" of entrepreneurship:

- **Dark side:** An actor's negative psychological and emotional reactions from engaging in entrepreneurial action.
- **Downside:** An entrepreneur's loss of capital from engaging in the entrepreneurial process.
- **Destructive side:** The negative impacts on society members from damage to resources owned or accessed by others as a result of entrepreneurial action.

To gain a basic understanding of these concepts, students were asked to read Shepherd's article. This was supplemented by asking students to read two other papers in advance of class, and one book excerpt during class time. Summaries of the three papers follow.

Shepherd, D. A. (2019). Researching the dark side, downside, and destructive side of entrepreneurship: It is the compassionate thing to do! Academy of Management Discoveries, 5(3), 217–220.

Abstract: Many contributions to entrepreneurship scholarship have come from the perspective that entrepreneurship is a tool used for economic and social good. Future research can make important additional contributions to the entrepreneurship literature by studying the “bad” in terms of the (1) dark side of entrepreneurship—an actor’s negative psychological and emotional reactions from engaging in entrepreneurial action, (2) downside of entrepreneurship—an entrepreneur’s loss of capital from engaging in the entrepreneurial process, and (3) destructive side of entrepreneurship—the negative impacts on society members from damage to resources owned or accessed by others as a result of entrepreneurial action. I call for the need for more research on the dark, down-, and destructive side of entrepreneurship—what are their dimensions, why do they generate suffering, and how we can reduce them and speed recovery? Such a stream of research holds the potential to make an important, compassionate contribution; increase the effectiveness of responses to suffering caused by the dark side, downside, and destructive side of entrepreneurship.

Canales, R., Regele, M. D., Groberg, M.-G., & Eftekhari, N. (2021). Falling Off the Unicorn: The Structural Shortcomings of Startup Employment (Working Paper).

Abstract: This paper focuses on the experiences and outcomes of startup employees, whose perspective is rarely studied. Our inductive study argues that individuals join startups expecting greater professional growth and personal fulfillment, but that these expectations are rarely met. Contrary to common narratives, employees recognize that startup jobs carry significant risks and rarely result in financial gains. We identify a series of structural factors that make it unlikely for startups to deliver on their promises to employees. We find that unrealistic expectations persist nonetheless due to misaligned interests between investors, founders, and employees that create incentives for them to perpetuate existing narratives of startup employment. The study uncovers previously unrecognized costs associated with startup ecosystems and new mechanisms by which myths and unpopular social norms persist.

Kwon, D., & Sorenson, O. (2021). The Silicon Valley Syndrome. Entrepreneurship: Theory and Practice.

Abstract: How does expansion in the high-tech sector influence the broader economy of a region? We demonstrate that an infusion of venture capital in a region leads to: (i) declines in the number of establishments and in employment in non-high-tech industries in the tradable sector; (ii) increases in entry and in employment in the non-tradable sector; and (iii) a rise in income inequality in the non-tradable sector. Expansion in the high-tech sector therefore leads to a less diverse tradable sector and to increasing inequality in the region.

The book excerpt students read was:

Lyons, D. (2016) My Year in Startup Hell. Fortune International, 173(5): 108-115.

The excerpt was from Lyons's (2016) book, *Disrupted: My Misadventure in the Start-Up Bubble*. In the book's introduction, Lyons argues that "myth and mythmaking are rampant in Silicon Valley" (p. VIII) and that he seeks to "provide a more realistic look inside a 'unicorn' startup and to puncture the popular mythology about heroic entrepreneurs (p. VIII).

Together, these readings were used as a reference point for class discussion, which proceeded as follows:

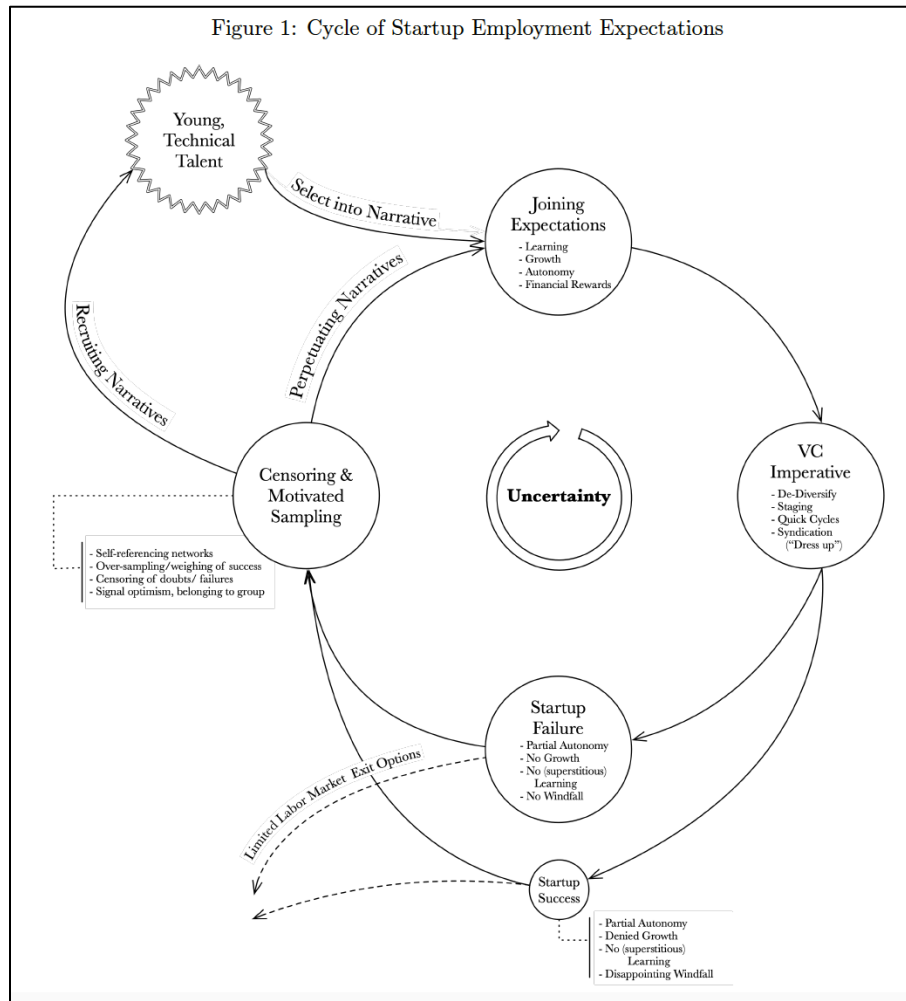
First, we reviewed the "3 Ds" articulated by Shepherd. In addition to ensuring students understood the terms and the distinction between each "D", which discussed some examples.

Second, we moved to a more detailed discussion of the first two "Ds", but I proposed a "tweak" in the definition of "downsides". Specifically, consistent with the Canales et al. paper and the Lyons book excerpt, we considered the impact not just on entrepreneurs, but also other startup "insiders" (namely, employees). Similarly, we considered costs that extended beyond a loss of capital, such as the implications for career mobility, career advancement, and lifetime earnings. After agreeing on our conceptualizations of the dark side and downside, we shifted to discussing their possible causes – i.e., why they occur. We discussed the following possibilities:

- Startup culture
- Loneliness in entrepreneurship
- Resource constraints
- Investor expectations
- The need to make a counterintuitive, low probability idea real
- Failure rates
- Hyperactive, but "closed" networks

I also used the Lyons's book excerpt and Canales, et al. paper to "drill down" on some of these issues, particularly related to startup culture, investor expectations, the need to make a counterintuitive idea real, and hyperactive, but "closed" networks. As part of this discussion, we walked through the key figure from the Canales et al. paper, which is reproduced in Figure 1 below.

Figure 1: Reproduction of Figure 1 from Canales, et al., 2021



Source: Canales, R., Regele, M. D., Groberg, M.-G., & Eftekhari, N. (2021). *Falling Off the Unicorn: The Structural Shortcomings of Startup Employment* (Working Paper).

Third, we shifted to discuss the potential “destructive” sides of entrepreneurship. I framed this conversation by referencing a recent headline from the Ohio Capital Journal that read, “New Ohio Intel Microchip Plant Will Turn the State into the ‘Silicon Valley of the Midwest’, Politician Says” (Evans, 2022) and asking the students, if true, whether this was a “good thing”. This prompted a discussion of the Kwon and Sorenson article and the potential negative effects of high-tech entrepreneurship ecosystems. We also discussed possible environmental externalities that might result from entrepreneurial activity.

Finally, we wrapped up our discussion about what DSE are and their potential implications by considering implications that might be specific to social entrepreneurship. I explained that I am not aware of any existing research on this specific topic, but suggested we think about whether there is anything we might expect to make DSE more or less relevant to social entrepreneurship. On one hand, I suggested that perhaps a focus on social mission provides a sort of buffer. For example, maybe impact investors put less importance on financial returns, which could reduce

pressure on the entrepreneur. On the other hand, I pointed out that social entrepreneurs are often tackling particularly challenging (and perhaps, at times, demoralizing) problems or might have more difficulty obtaining funding. In general, I suggested there does not seem to be any *ex ante* reason to expect social entrepreneurs would experience DSE to a lesser extent, but that ultimately this is an empirical question.

Course Content Linked to DSE and Ignatian Values

As discussed above, I plan to flesh out an Ignatian-based pedagogical model for teaching the dark sides of entrepreneurship over the course of the next year. Thus, this semester, my primary goal was to test some possible approaches to using Ignatian values to help students reflect on and, in the future, potentially navigate DSE. More specifically, I tested incorporating Ignatian values in two ways.

Reinforcing Ignatian Concepts

First, I anticipated that although students have undoubtedly heard a variety of Ignatian terms during their time at Xavier, they may not have internalized those terms or developed a strong understanding of how they fit together into the Ignatian Pedagogical Paradigm. Therefore, I began by reviewing the Universal Apostolic Preferences (UAPs) and the Gifts of Our Ignatian Heritage, as outlined on the Center for Mission and Identity's website (see Figure 2 for screen shots of my slides). After reviewing the slides, I facilitated a discussion about the UAPs and Gifts and their potential implications for social entrepreneurship in general. I put particular emphasis on UAP 2 (*To walk with the poor, the outcasts of the world, those whose dignity has been violated, in a mission of reconciliation and justice*) and UAP 4 (*To collaborate in the care of our Common Home*), as well as the Gifts of *Service rooted in justice and love, Solidarity and kinship, Cura personalis, and Magis*. We discussed how each of these concepts both calls us and provides some basic perspectives and tools to address pressing social problems. We also discussed how these Ignatian values may call us to prioritize people and the environment over profits – which may sometimes seem to in tension with what we learn in business courses.

Figure 2: Slides Used to Discuss Our Ignatian Heritage and Its Possible Implications for Social Entrepreneurship

Social Entrepreneurship/Innovation and Our Ignatian Heritage

The Universal Apostolic Preferences

- To show the way to God through the Spiritual Exercises and discernment
- To walk with the poor, the outcasts of the world, those whose dignity has been violated, in a mission of reconciliation and justice
- To accompany young people in the creation of a hope-filled future
- To collaborate in the care of our Common Home

https://www.iesuits.global/documents_category/uaps-en/

Social Entrepreneurship/Innovation and Our Ignatian Heritage

Gifts of Our Ignatian Heritage (Part 1)

- » **MISSION** invites us to understand the history and importance of our Jesuit heritage and Ignatian spirituality. Mission focuses on the centrality of academic excellence, grounded in a Catholic faith tradition.
- » **DISCERNMENT** invites us to be open to God's spirit as we consider our feelings and rational thought in order to make decisions and take action that will contribute good to our lives and the world around us.
- » **REFLECTION** invites us to pause and consider the world around us and our place within it.
- » **SERVICE ROOTED IN JUSTICE AND LOVE** invites us to invest our lives into the well-being of our neighbors, particularly those who suffer injustice.

Social Entrepreneurship/Innovation and Our Ignatian Heritage

Gifts of Our Ignatian Heritage (Part 2)

- » **SOLIDARITY** and **KINSHIP** invites us to walk alongside and learn from our companions, both local and afar, as we journey through life.
- » **CURA PERSONALIS** invites us to care for others recognizing the uniqueness and wholeness of each person.
- » **MAGIS** invites us to ask, "Where is the more universal good?" when making difficult decisions; it relates to the Jesuit motto, *For the Greater Glory of God*.

<https://www.xavier.edu/mission-identity/xaviers-mission/ignatian-gifts-and-vision>

Ignatian Values and Addressing DSE

Second, I focused students specifically on how Ignatian values might help entrepreneurs navigate DSE. I further split this portion of the lesson into two parts. In the first, I began by asking, in general, how entrepreneurs might navigate DSE. I used the slide depicted in Figure 3 to guide this discussion. I used animation so that initially students only saw the slide's heading. I collected students' ideas about potential answers to the question posed. I captured these ideas on the classroom whiteboard. I then began to reveal the rest of the bullet points, using each to initiate discussion about if and how the approach might a) address DSE and b) connect to our Ignatian values.

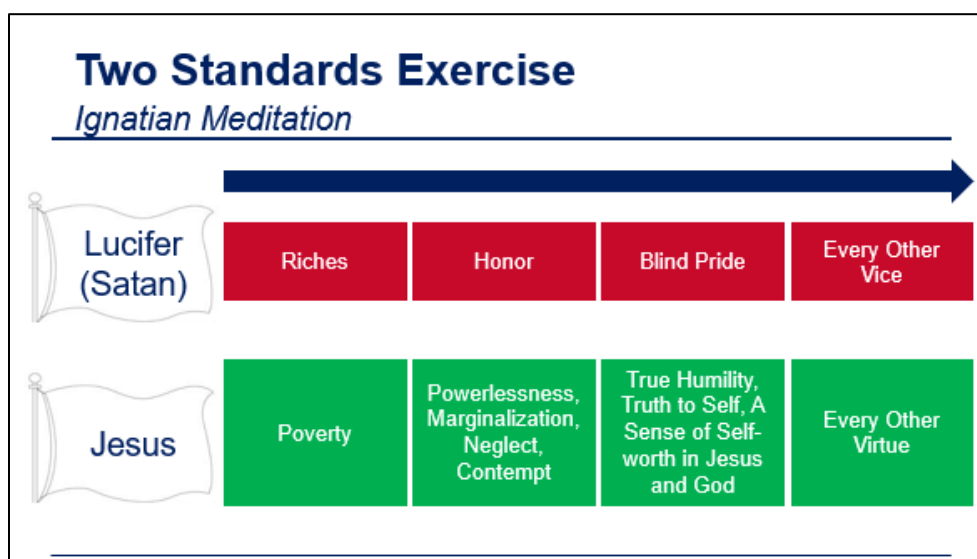
Figure 3: Slide Used for General Discussion of Possible Approaches to Navigating DSE

How Might Entrepreneurs Avoid, Navigate, or Overcome the Dark Sides?

- » Social connections?
- » Build a strong team?
- » Work life balance?
- » Clear goals?
- » Discernment/reflection?
- » Getting help?

In the second part, I focused students more explicitly on Ignatian values through an adapted version of the Two Standards Spiritual Exercise (Monroe, n.d.; Tetlow, 2008).¹ This exercise, which is traditionally performed during the second week of the Spiritual Exercises, Ignatius asks us to imagine two armies on a battlefield. One of the armies is under Satan’s standard and the other is under Christ’s. We are asked to meditate on the different ways that each army operates and on the differences in each army’s values. The exercise emphasizes the importance that Christ places on humility and poverty, whereas Satan values wealth and encourages pride and achievement seeking. The exercise asks us to reflect on how the pursuit of riches leads to honor, pride, and all other vices, whereas poverty leads to marginalization, humility, and every other virtue (Monroe, n.d.; Tetlow, 2008). I explained the exercise and its logic using the slide depicted in Figure 4.

Figure 4: Slide Used to Introduce the Two Standards Spiritual Exercise



After explaining the original version of the Two Standards exercise, I proposed an adapted version that we might apply to entrepreneurial pursuits. I suggested that instead of the Standards of Satan and Christ, we think of the Standard’s of “good” and ‘bad” entrepreneurship [see Figure 5 for the slide I used in class]. We discussed what motivations, expectations, and mindsets might fit into the first “box” next to each banner, as well as how these might flow into the other boxes. We discussed how a focus on riches might play a similar role in entrepreneurship as it does in life more generally (as proposed by Ignatius) and lead to many of the DSE discussed earlier. In contrast, we discussed how rooting your entrepreneurial efforts in Ignatian values might help entrepreneurs avoid these dark sides. For example, we discussed how a focus and motivation consistent with *walking in solidarity with others, service rooted in justice and love, solidarity and kinship, and care of our common home* might help entrepreneurs avoid potential “destructive sides” of entrepreneurship, as defined by our earlier discussion. Similarly, we discussed how

¹ Thank you to Abby King-Kaiser, Director of Xavier’s Dorothy Day Center for Faith and Justice for the idea of drawing on the Two Standards exercise and adapting it to address DSE.

cura personalis might help entrepreneurs avoid the “downsides” of entrepreneurship, and how *discernment* and *reflection* might help address the “dark sides”.

Figure 5: Slide Depicting an Adapted, Entrepreneurship-Focused Version of the Two Standards Exercise



Conclusion

Overall, I have no doubt that raising the issue of DSE and discussing how Ignatian values might help entrepreneurs avoid or overcome such challenges significantly improved the ENTR 494/ENTR335 course. At the same time, I acknowledge my initial efforts to incorporate these topics was somewhat limited and can be improved. Some improvements are straightforward. For example, although I assigned several readings, there were not any graded assignments associated with these topics. This may have lessened student engagement to an extent (though I was pleasantly surprised by how much and how many students participated in the discussion). In future semesters, I plan to address this limitation with an additional reflection assignment that asks students to develop a formal response to the modified Two Standards exercise. This assignment will also generate artifacts to assess students’ learning – in particular, whether the content and activities impact how students think about the entrepreneurial pursuits. Such assessment is necessary to gauge the effectiveness of the lesson, and whether changes might be necessary. In addition to making these modifications to the lesson described here, I also expect to cover DSE and Ignatian values in more depth in future semesters. This will be made possible via additional pedagogical resources that I develop through my Conway Fellowship, such as teaching cases.

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